

# 2022 Overview of the Trucking Industry Challenges and Opportunities

Presented by the  
Colorado Motor Carriers Association  
August, 2022

# Overview of Presentation

1. Brief Overview and Facts about the Colorado Trucking Industry
2. Current Industry Concerns and Issues
3. Colorado Specific Concerns
4. Trucking Industry Proposed Strategies and Actions to Reduce Emissions
5. Possible Legislation for TLRC Consideration
6. Foster Child Driver License Issue (Shayne Madsen)

# Trucking is Important Segment of Colorado's Economy



## Average base salary ?

4.3k salaries reported, updated at August 1, 2021

**\$72,622**

per year

The average salary for a truck driver is \$72,622 per year in Colorado.

▲ 8% higher than national average

\* Information from Indeed.Com

# Trucking is the Engine that Fuels Colorado's Economy

COLORADO

COLORADO

EVERY YEAR, **\$305 BILLION** IN GOODS ARE SHIPPED TO AND FROM SITES IN COLORADO



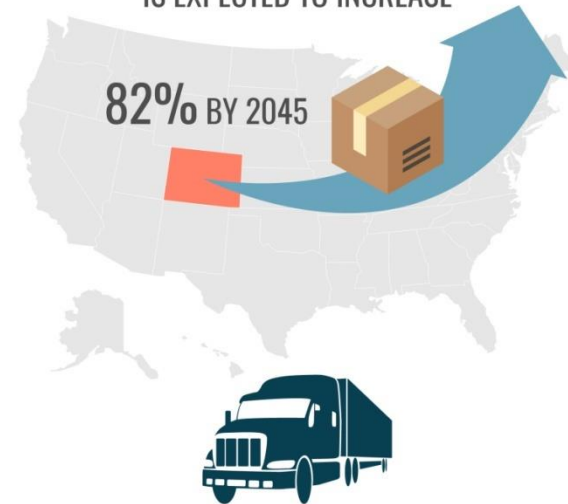
**67%** ARE CARRIED BY TRUCKS

**TRIP** A National Transportation Research Program

COLORADO

COLORADO

THE VALUE OF FREIGHT SHIPPED TO AND FROM SITES IN COLORADO IS EXPECTED TO INCREASE



**68%** FOR GOODS SHIPPED BY TRUCKS

**TRIP** A National Transportation Research Program

EPA Affiliate

# Trucking is Essential to Colorado's Economy and Well Being



79% of ALL Colorado  
Communities are Solely  
Served by Trucks for  
their freight needs



**\$ TRUCKING PAYS THE FREIGHT**



**INDIVIDUAL COMPANIES**

As of January 2021, a typical five-axle tractor-semitrailer combination paid:

**\$8,552** ←  
state highway user  
fees and taxes &

**\$8,906** ←  
federal highway  
user fees and  
taxes

These taxes were over and above the typical taxes paid by businesses in Colorado.

**ROADWAY USE**

**89,069**

Miles of public roads in Colorado (2019)

Miles driven on public roads:

All Motorists: **54.6 billion**

Trucks: **3.4 billion**

# Trucking Industry has Reduced PM and Nox Emissions in New Trucks by 98% versus 1988

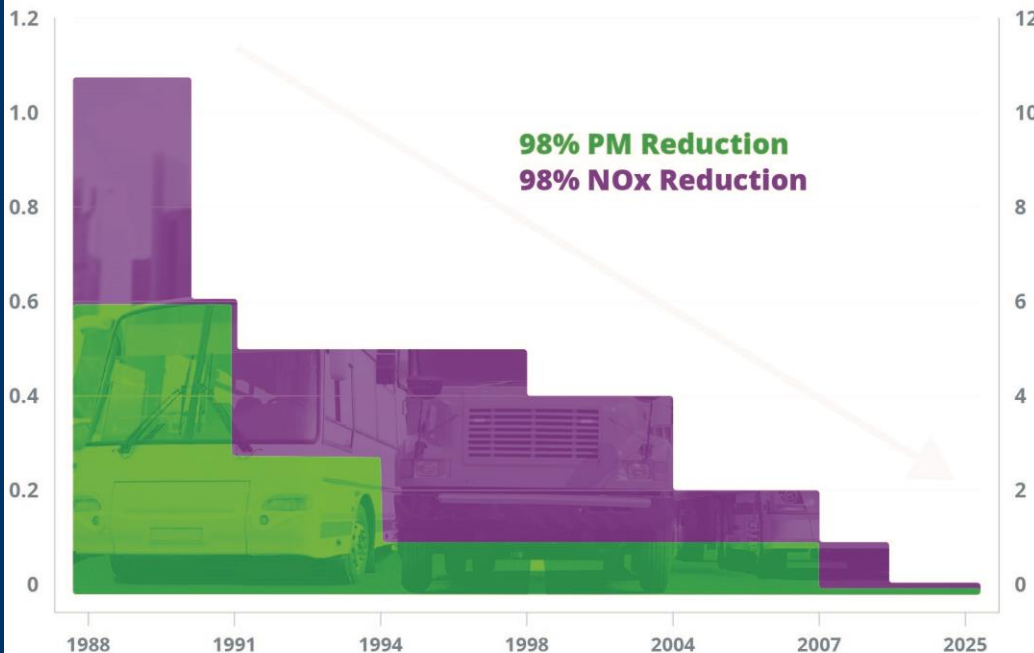
## CLEAN DIESEL PROGRESS

Heavy-Duty On-Highway



**PM** (g/bhp-hr)

**NOx** (g/bhp-hr)



Source: U.S. EPA Office of Transportation and Air Quality (OTAQ)

New technology diesel trucks reduced **126 million tonnes of CO<sub>2</sub>** emissions since 2007



Equal to removing CO<sub>2</sub> emissions from **26M** passenger vehicles from the road for one year or making them **zero emission** electric vehicles



Source – July 2019 U.S. Vehicles in Operation Data (Class 3-8 vehicles, Model Year 2010 and newer) provided by IHS Markit

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## Broad Industry Concerns

- Supply Chain Issues
  - Delays in receiving trucks and parts
  - Delays in different areas of logistics network
- Continuing Driver and Technician Shortage
- Inflation and Higher Fuel Prices
- Congestion and bottlenecks across the country




# Continuing Driver and Technician Shortage

**indeed**  Find jobs Company reviews Find salaries

What truck driver Where Colorado Find jobs

Date Posted Salary Estimate Job Type Route Type License Home Time Location Company Experience Level Education

truck driver jobs in Colorado  
Sort by: **relevance** - date Page 1 of 8,275 jobs




**Truck Driver Class A**  
Foodliner, Inc 3.2 ★  
Commerce City, CO

\$80,000 - \$100,000 a year Full-time

**Urgently hiring**

- \$12K Sign-on Bonus with 12 months of Class A Tractor Trailer driving experience!.
- Weekly Guarantee, PLUS Weekend Premium Pay!.
- \$8,000 **Driver** Referral Bonus.


Visited 4 minutes ago



**Truck Driver Class A**  
Foodliner, Inc ★★★★★ 113 reviews  
Commerce City, CO  
\$80,000 - \$100,000 a year - Full-time

[Apply on company site](#)

**Foodliner®**  
Going The Distance



**Job details**

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# Colorado Specific Concerns

- Congestion and Roadway Conditions
- Need for Greater Resiliency in Transportation Network
- Implications for Industry if Denver North Front Range is Deemed Severe for Ozone by EPA
- Concerns that adoption of Calif. medium and heavy duty ZEV rules
- Safety – Reducing runaway trucks and overall truck involved accidents

# Resiliency Issue

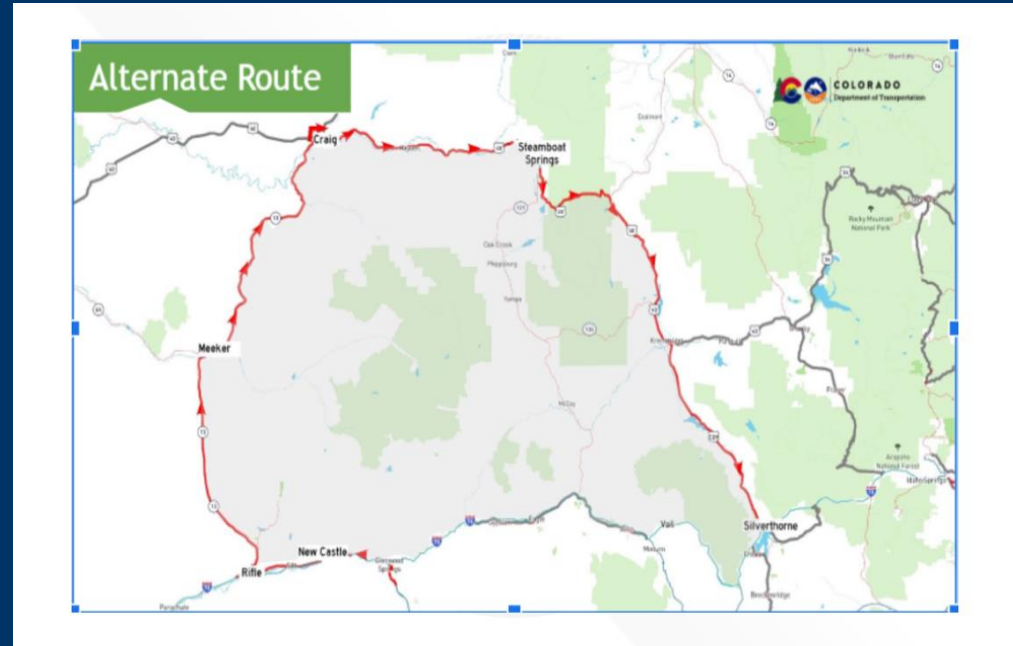
## Impact of Closure of I-70 through Glenwood Canyon on Supply Chain - 2021

Denver to Grand Junction on I-70: **Normal Drive Time – 4 to 4.5 Hours (roundtrip 9 to 10 hours)**

Alternate Route (I-70 at Silverthorne (Exit 205) onto CO 9 to US 40 to Craig, then south on CO 13 to Rifle, rejoin I-70:

**Detour Drive Time – 6.5 to 8 hours (roundtrip 13 to 16 hours)**

Federal Truckdriver Hours of Service Rules: **11 hours of drive time over 13 hour on duty period/followed by mandatory 10 hour rest period**



### How Does this Affect the Supply Chain:

**50% of the Traffic on I-70 West travels to or from destinations on the West Slope. Many of those locations could be served by a truckdriver within his/her allowable driving hours within one day. Because of additional travel time on alternate route for many of those trips now requires that the driver layover on West Slope. Alternate route is 100 miles longer. This translates into additional transport costs to cover additional time, fuel, and in some cases overnight accommodations for drivers. These costs are passed on to businesses and consumers.**

# Implications of EPA Designation of Severe Status for Ozone

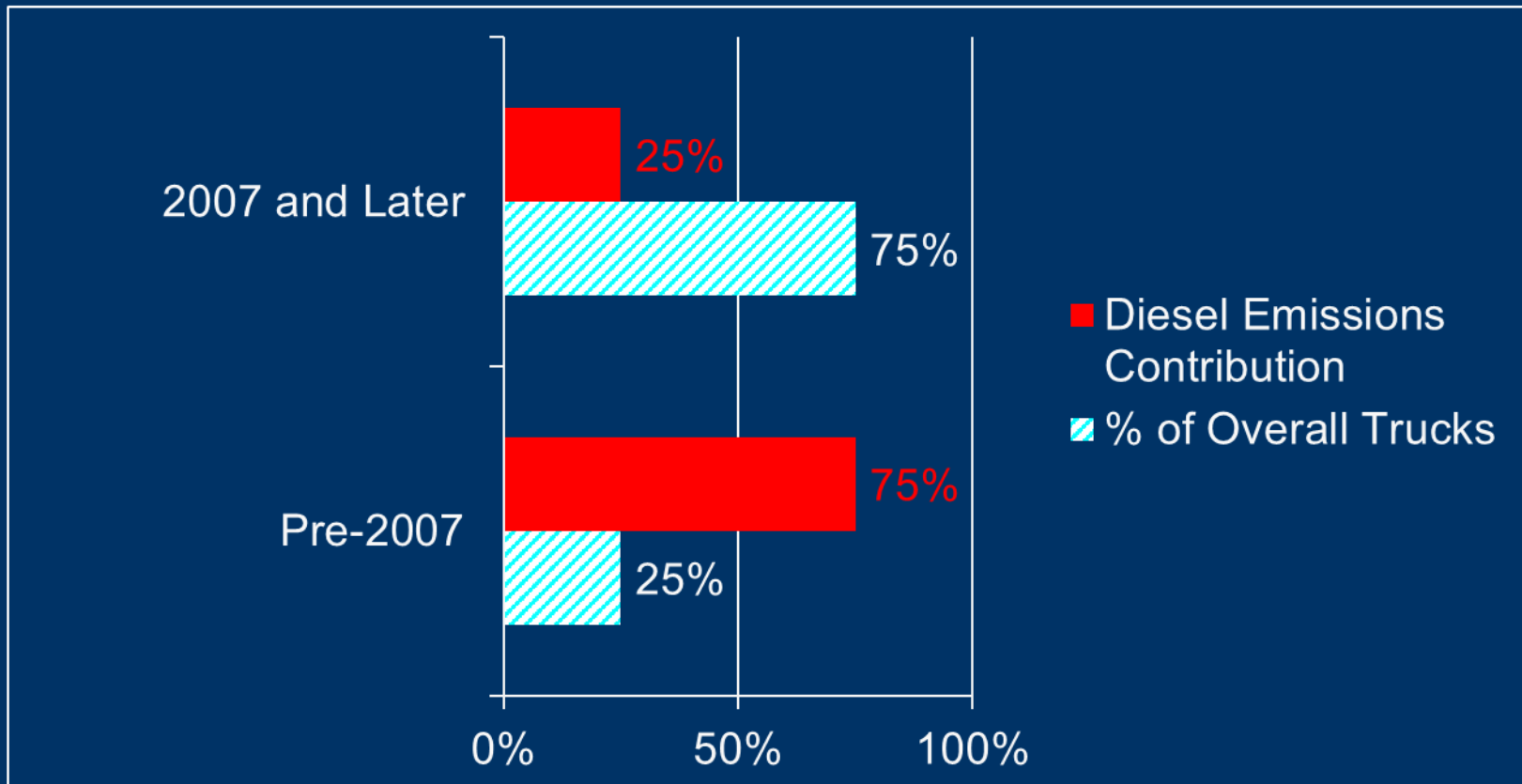
- Increased costs in gasoline prices by \$.51 to over \$1. Cost increase would not be limited to nonattainment area.
- Fuel shortages due to lack of refining capacity for RFG in the region
- Greater transportation and travel costs to transport RFG fuel from states that produce it. In addition increased emissions if fuel must be transported by rail or truck from those areas.
- Will increase costs to consumers and businesses, making them less competitive with surrounding states

# **Actions to Reduce Truck-related Emissions Providing Greatest ROI for the State in Shortest Timeframe**

- Focus on Greatest Area of the Problem – older diesel trucks – Grant program to scrap and replace with 2017 or newer truck
- Strongly encourage contractors and provide incentives to them and trucking subcontractors working on publicly-funded construction projects in non-attainment areas to operate 2010 or newer model trucks
- Provide similar tax credit for RNG zero emission trucks as exists for Electric and Hydrogen today
- Remove Penalty for ZEV trucks related to Specific Ownership Tax – Make SOT comparable to Diesel vehicles.

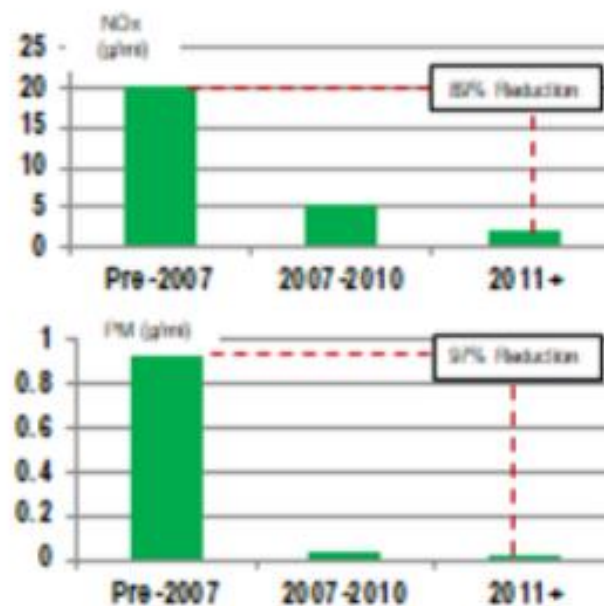


## Highlighting Where Greatest Problem Lies for On-Highway Diesel Emissions



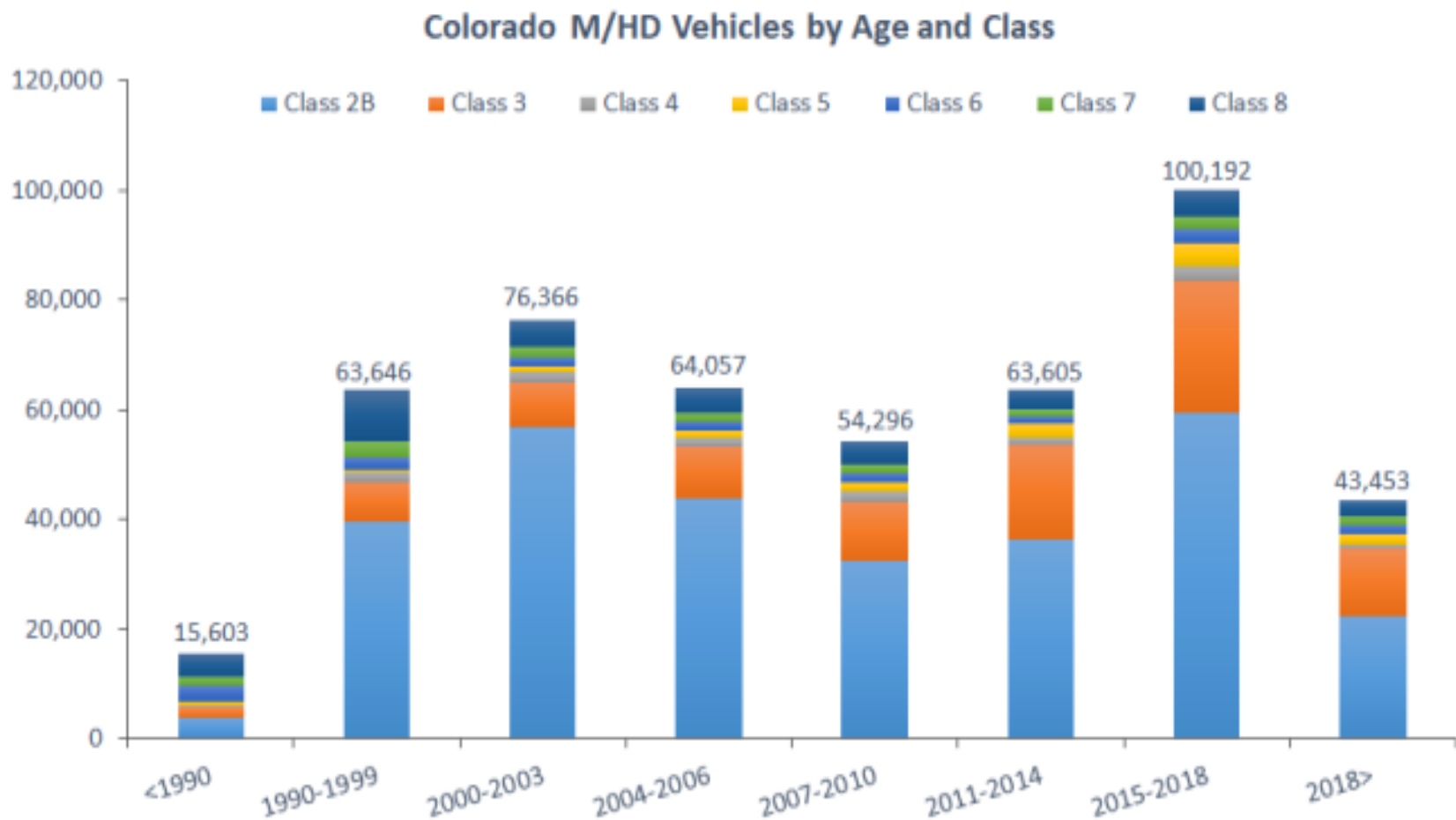
## New Heavy Duty Diesel Trucks Deliver Substantial Reductions in NOx, CO<sub>2</sub>, and PM vs Pre-2007 and Pre-2010

| Savings to the new technology diesel buyer | Per Year |
|--|----------|
| Average vehicle miles traveled             | 126,000  |
| Fuel savings - gallons                     | 980      |
| Fuel savings - bbl                         | 23       |
| Fuel cost savings @ \$3.60/gal             | \$3,560  |
| CO <sub>2</sub> savings - metric tonnes    | 9.76     |
| NO <sub>x</sub> savings - metric tonnes    | 2.3      |
| Particulate matter savings - kg            | 114      |



Source: EPA estimates for in-use distance based on MOVES 2014 data

**Figure 10** Distribution of M/HD Vehicles by Age and Class



## Overview of Pre-2007 Medium and Heavy Duty Trucks in Colorado

- Many are second or third owner vehicles
- Many of these older vehicles are based or are proximate to disadvantaged areas
- Large percentage of these vehicles are in construction sector and many deliver materials for state and local govt. construction projects
- Primarily owned by smaller companies, many of whom may be MBEs/DBEs who are not be in a financial position to purchase a new truck
- Operate on a local/regional basis with a large number based and operating in the Denver Metro Area and along the Front Range in non-attainment areas
- Shorter trips with destinations that can change weekly with many destinations being rural areas



## Proposed Concepts for Consideration by the TLRC

- Proposed study for on-line registration system for intrastate commercial vehicles where fleets may register through a single portal and assign vehicle to the county where it is based
- Consideration of updating of intrastate motor carrier fine structure – fines have not been increased since 2001 and they do not deter bad actors
- Consideration of Legislation related to Roundabouts to improve safety whereby other motorists yield to trucks – similar legislation exists in WA and Wisc.





**Delivery** of medical supplies to the affected area will cease  
**Hospitals** will run out of basic supplies such as syringes  
**Service** stations will begin to run out of fuel  
**Manufacturers** using just-in-time manufacturing will develop component shortages  
**U.S.** mail and other package delivery will cease. Within one day, food shortages will begin to develop  
**Automobile** fuel availability and delivery will dwindle, leading to skyrocketing prices and long lines at the gas pumps



**Food** shortages will escalate, especially in the face of hoarding and consumer panic  
**Supplies** of essentials, such as bottled water, powdered milk, and canned meat at major retailers will disappear  
**ATMs** will run out of cash and banks will be unable to process transactions  
**Service** stations will completely run out of fuel for autos and trucks  
**Garbage** will start piling up in urban and suburban areas  
**Container** ships will sit idle in ports and rail transport will be disrupted, eventually coming to a standstill



**Automobile** travel will cease due to the lack of fuel  
**Hospitals** will begin to exhaust oxygen supplies



**The** nation's clean water supply will begin to run dry



**The** nation will exhaust its clean water supply  
**Illnesses** will increase, further taxing an already weakened health care system



# Thank You and Remember Without Trucks Colorado Stops!